

**REMARKS**

Applicant has carefully studied the nonfinal Examiner's Action mailed February 24, 2005 and all references cited therein. The amendment appearing above and these explanatory remarks are believed to be fully responsive to the Action. Accordingly, this important patent application is now believed to be in condition for allowance.

Applicant responds to the outstanding Action by centered headings that correspond to the centered headings employed by the Office, to ensure full response on the merits to each finding of the Office.

***Claim Rejections - 35 U.S.C. § 102(e)***

Applicant respectfully acknowledges the quotation of 35 U.S.C. §102(e).

Claims 1-35 stand rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent Application 2004/0019524 to Marshall. It is well settled that "anticipation requires the disclosure in a single prior art reference of each element of the claim under consideration."<sup>1</sup> The single reference must also disclose each element of the claimed invention "as arranged in the claims."<sup>2</sup> It is not enough that the reference teach all the claimed elements in isolation, or in a different relation. Therefore, if the prior art reference includes all the elements that are claimed, if the arrangement of the claimed elements is different from the arrangement of the prior art elements, anticipation cannot be found.<sup>3</sup>

Accordingly, Applicant respectfully presents the following remarks with regard to the cited prior art:

*Claims 1 through 5.* Claim 1 of the instant application is drawn to a method of presenting purchasing information within a DVD comprising the steps of (a) identifying product within the video content sought to be sold, (b) capturing at least one frame of the video content showing the product, (c) graphically modifying the frame to enhance the presence of the product, (d) creating a menu interface with the frame, (e) creating a selectable menu button associated with the product, (f) creating a second menu having purchasing information for the product, the second menu displayed responsive to the activation of the button.

<sup>1</sup> See *W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303,313 (Fed. Cir. 1983).

<sup>2</sup> See *Lindermann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1542, 221 USPQ 481, 485 (Fed. Cir. 1984).

<sup>3</sup> Donner, Irrah H; *Patent Prosecution; Practice and Procedure Before the U.S. Patent Office*; BNA Books, 1999

The steps of claim 1 identify a product sought to be sold within the video content and graphically modifying the frame to enhance the presence of the product. Paragraph [0040] shows that the product is shown *in the presentation* (see also Figure 2, 30). It is in this manner that “the video presentation maintains its artistic integrity without interruption.” (Paragraph [0040]). Figure 2 also shows that “[the] DVD menu created with transparent layer – *presentation continues in background* – menu buttons are provided in foreground for ordering information. Presentation continues seamlessly” (Figure 2, block 60).

In contrast, the ‘524 application requires “generating an interactive catalog of featured products linked to both the production and the source.” Paragraph [0010]. This catalog exists independently of the feature. For example, the ‘524 application states that the user is “welcomed to the Catalog at the WELCOME SCREEN.” [0028]. The user is then directed to subcategories where one can search the products. The user can search for products by “selecting by scene” or “selecting by category.” ([0028] through [0030], and Figure 2). This independent catalog system does not allow a user to view a feature and obtain information about products as they appear in the movie. Instead, a user must watch a movie and then go back to a different menu to search for information about the desired product.

Paragraph [0041] of the ‘524 application states:

In the specific example of a movie that is released (or re-released) on DVD, *a separate DVD disc* containing the Digital Interactive Motion Picture Product Catalog created uniquely for that movie may be included in the DVD box for both sales and rental, that showcases the specific products placed in the accompanying movie. Alternatively, *the catalog could be a separate track (or “Title”) on the same DVD as the movie*, or could be published electronically over the internet at a website URL identified on the DVD or its packaging possibly with a hyperlink that automatically connects the viewer to the Interactive Catalog. (Emphasis added)

Accordingly, none of the publication methods disclosed by the ‘524 application allow a user to access information regarding a product from the content of the video feature. Claim 1 has been amended to clarify the instant invention. Since the ‘524 application does not contain this element, namely the seamless integration of the product content and feature content, it cannot

anticipate the current invention. Claims 2 through 5 depend from claim 1 and therefore contain all the limitations set therein. Since claim 1 has been shown to be patentable over the prior art, all claims which depend there from are patentable as a matter of law. Applicant respectfully requests the withdrawal of the rejection on this ground.

*Claims 6 and 7.* Claim 6 is drawn to a method of presenting purchasing information with a feature on DVD comprising the steps of (a) dividing a feature into a plurality of chapters, (b) generating a motion menu background of each individual chapter, (c) inserting at least one product information button over the motion menu background, (d) responsive to the activation of the at least one product information button linking to a product information menu having data on at least one product in the individual chapter played in the motion menu background.

In claim 6, a motion menu background is generated for each chapter of the feature. The information regarding the product of interest is inserted over the motion menu background. Therefore, the product information becomes available to the user as the feature is being played, without causing interruption therein. As stated above, the '524 application uses static images under a separate title, or on a separate disk, to provide product information. The information must be accessed independently of the feature. Accordingly, the '524 application does not anticipate the method of the present invention. Since claim 6 has been shown to be patentable over the prior art, claim 7 which depends there from is patentable as a matter of law. Applicant respectfully requests the withdrawal of the rejection on this ground.

*Claims 8 through 24.* Claim 8 is drawn to a computer software application for authoring video menu structures on a DVD having video content, the software product comprising (a) a product database module stored on a computer accessible medium, the product database module comprising at least a product identification data field and a time code data field, (b) a menu generation module communicatively coupled to the product database module, the menu generation module generating a menu structure responsive to the presence of data fields in the product database module whereby product information contained within a submenu is user-accessible substantially contemporaneous to a product's appearance in the video content.

Claim 8 expressly states that the submenu is user-accessible substantially contemporaneous to a product's appearance in the video content. Since this element is not present in the '524 application, there cannot be anticipation. Since claim 8 has been shown to be

patentable over the prior art, claims 9 through 24 which depend there from are patentable as a matter of law. Applicant respectfully requests the withdrawal of the rejection on this ground.

*Claims 25 through 29.* Claim 25 is drawn to a method of generating pre-production revenue for DVD video content comprising the steps of (a) defining a product placement algorithm, and (b) contracting with at least one or more product distributors to insert the product in the video content according the product placement algorithm. The algorithm of claim 25 establishes a framework from which to negotiate revenue generation. [0022]. This method provides a structure similar to conventional television advertising wherein a block of time during a particular show is given a value by the network. Advertisers then purchase advertising time on a dollar-per-second ratio.

The '524 application is silent as to how fees are allocated for product placement. Since the '524 application does not teach, describe, or suggest the revenue generation method of the instant application it cannot anticipate. Since claim 25 has been shown to be patentable over the prior art, claims 26 through 29 which depend there from are patentable as a matter of law. Applicant respectfully requests the withdrawal of the rejection on this ground.

*Claims 30 through 35.* Claim 30 is drawn to a method of distributing DVDs having variable advertising content comprising the steps of (a) establishing an array of demographic data on an individual viewer, (b) receiving a request for a video title from the viewer, (c) automatically inserting advertising content targeted to the demographic data of the viewer, (d) recording the video title and targeted advertising content on a DVD; and (e) distributing the disc to the viewer.

The '524 patent makes no reference to selectively placing product information responsive to the demographic data of the intended viewer. Accordingly, the '524 application cannot anticipate claim 30, or the claims that depend there from. Applicant respectfully requests the withdrawal of the rejection on this ground.

***Conclusion***

Entry of a Notice of Allowance is solicited. If the Office is not fully persuaded as to the merits of Applicant's position, or if an Examiner's Amendment would place the pending claims in condition for allowance, a telephone call to the undersigned at (727) 507-8558 is requested.

Very respectfully,

SMITH & HOPEN

By:

  
Anton J. Hopen  
Suite 220  
15950 Bay Vista Drive  
Clearwater, FL 33760  
(727) 507-8558  
Attorneys for Applicant

Dated: March 11, 2005

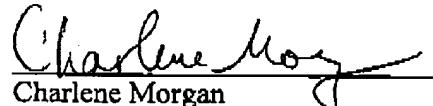
pc: John F. Baxter, Jr.

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**CERTIFICATE OF FACSIMILE TRANSMISSION**  
(37 C.F.R. 1.8(a))

I HEREBY CERTIFY that this Amendment A, including Introductory Comments, Amendments to the Specification, Amendments to the Claims, and Remarks, is being transmitted by facsimile to the United States Patent and Trademark Office, Art Unit 3627, Attn: Richard E. Chilcot, (703) 872-9326, on March 11, 2005.

Dated: March 11, 2005

  
Charlene Morgan